

Mozambique

A. Definitions and sources of data

In Mozambique, foreign direct investment (FDI) is defined as any form of foreign capital contribution, valuables in monetary terms which constitutes own equity capital or resources at the own account and risk of foreign investor, brought from external sources and to be used in an investment project for carrying out an economic activity, through a company registered in Mozambique and operating in Mozambican territory (Law of Investment – Law No. 3/93). The data on FDI are collected by Bank of Mozambique and the Centro de Promocao de Investimentos (CPI). The International Monetary Fund also reports the country's FDI flow data in its balance-of-payments statistics.

The Law 4/84 and the Direct Investment Order of January 1987 set the basic framework for foreign investment. In June 1993, a new investment code was approved, simplifying procedures for investment proposals and streamlining the decision-making process. The country has a separate code for petroleum and mining industries. The CPI which has been in existence since the new law on investments was passed in 1993, offers a comprehensive service in support of foreign investors wishing to invest anywhere in the country. It acts as a one-stop shop. Companies established under the Investment Code must obtain authorization from the CPI and register their investment at the Ministry of Finance and the Bank of Mozambique. Regulations governing business operations include labour and tax laws and existing investment incentives such as the ability to remit profits. The CPI has increasingly tried to co-ordinate sectoral efforts to clarify and market the investment environment, stressing the country's position as a "gateway to Southern Africa". Additionally, the CPI processes offers privileged access to a range of sectoral activities, providing exemptions from import and export duties and income, as well as from profit and sales taxes with the exception of a reasonable royalty on turnover.

As a means of boosting private sector activities and investment, Mozambique has made significant efforts to upgrade the existing infrastructure. The massive effort in the Maputo corridor is an important project, given the close economic ties between Mozambique and South Africa and the potential benefits of improved bilateral transport links. It is hoped that the combination of better road, rail and port services will serve as a catalyst for secondary development along the whole corridor. In the telecommunications sector, a number of activities have been upgraded. A cellular phone company, M-Cell (a joint venture between Telecomunicações de Moçambique (TDM) and Deutsche Telekom) was launched in 1997 and now has many subscribers. The government aims to liberalize the telecoms sector, with technical help from the World Bank. The passage of a new telecoms law opened up TDM to private capital and may also require the firm clearly to separate its mobile (M-Cell) and fixed-line operations.

As market size is also important to the prospective investors, Mozambique has taken some measures to improve its attractiveness. Since the end of the civil war in 1992 good relations have been forged with the United States, Japan and most European countries. Mozambican foreign policy is now largely focused on South Africa, other members of the Southern African Development Community, the Common Market for Eastern and Southern Africa, the African Union, New Partnership for Africa's Development, western donors and Portugal. Relations with South Africa are particularly close, underpinned by the growing nexus of ties in trade, investment, tourism, migration and security between the two countries. Mozambique is an eligible member of a number of trade and investment initiatives including, the United States' market access initiative for African - the African Growth and Opportunity Act, the European Union's (EU) Everything But

Arms initiative, and the EU-African, Caribbean and Pacific partnership agreement for the renegotiation of the Lomé Convention - the Cotonou Agreement. Mozambique is signatory to the multilateral investment guarantee agency and is a member of the World Trade Organization.

B. Statistics on FDI and the operations of TNCs

Table 1. Summary of FDI

(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2002-2005 (annual average)	259.1	0.1
2. FDI flows as a percentage of GFCF, 2002-2005 (annual average)	26.0	0.01
3. FDI stock, 2005	2 386.1	1.7
4. FDI stock as a percentage of GDP, 2005	35.5	0.03

Source: Based on tables 3a, 4 and UNCTAD, FDI/TNC database.

Table 3a. FDI flows, by type of investment, 1980-2005

(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Intra-company loans	Total	Equity	Reinvested earnings	Intra-company loans	Total
1980	..	..	..	4.4	..	..	..	..
1981	..	..	..	0.4	..	..	..	..
1982	..	..	..	1.9	..	..	..	..
1983	..	..	..	2.5	..	..	..	..
1984	..	..	..	-2.9	..	..	..	..
1985	..	..	..	0.3	..	..	..	..
1986	1.5	..	..	1.5	..	..	..	..
1987	6.2	..	..	6.2	..	..	..	..
1988	4.5	..	..	4.5	..	..	..	..
1989	3.4	..	..	3.4	..	..	..	0.9
1990	9.2	..	..	9.2	..	..	..	-0.2
1991	22.5	..	..	22.5	..	..	..	0.5
1992	25.3	..	..	25.3	..	..	..	-0.3
1993	32.0	..	..	32.0	..	..	..	0.1
1994	35.0	..	..	35.0	..	..	..	0.0
1995	45.0	..	..	45.0	..	..	..	0.2
1996	72.5	..	..	72.5	..	..	..	0.5
1997	64.4	..	..	64.4	..	..	..	-0.4
1998	212.7	..	..	234.9	..	..	..	0.3
1999	381.7	..	..	381.7	..	..	..	0.3
2000	139.2	..	..	139.2	..	..	..	-0.2
2001	255.4	..	..	255.4	..	..	..	-0.4
2002	347.4	0.01	0.2	347.3	..	..	..	0.4
2003	336.7	..	..	336.7	..	..	..	0.01
2004	234.6	..	10.1	244.7	..	..	..	0.01
2005	59.8	..	48.1	107.9	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: FDI inflows: OECD for 1980-1985 and Banco de Moçambique for 1986-2005. FDI outflows: Proxy based on investments reported by France for 1989 and 1995 and by Belgium and Luxembourg for 1993-1994, World Bank for 1996-2002, and Banco de Moçambique for 2003-2004.

Table 4a. FDI stock, by type of investment, 1980-2005

(Millions of dollars)

Year	Inward Investment				Outward Investment			
	Equity	Reinvested earnings	Intra-company loans	Total	Equity	Reinvested earnings	Intra-company loans	Total
1980	14.7	..	..	..	..
1981	15.0	..	..	..	..
1982	17.0	..	..	..	..
1983	19.4	..	..	..	..
1984	16.5	..	..	..	..
1985	16.9	..	..	..	..
1986	18.4	..	..	..	..
1987	24.6	..	..	..	..
1988	29.1	..	..	..	..
1989	32.5	..	..	..	0.9
1990	41.7	..	..	..	0.7
1991	64.2	..	..	..	1.2
1992	89.5	..	..	..	0.9
1993	121.5	..	..	..	1.0
1994	156.5	..	..	..	1.0
1995	201.5	..	..	..	1.2
1996	274.0	..	..	..	1.7
1997	338.4	..	..	..	1.3
1998	573.3	..	..	..	1.6
1999	955.0	..	..	..	1.9
2000	1 094.2	..	..	..	1.7
2001	1 349.6	..	..	..	1.3
2002	1 696.9	..	..	..	1.7
2003	2 033.6	..	..	..	1.7
2004	2 278.3	..	..	..	1.7
2005	2 386.1	..	..	..	1.7

Source: UNCTAD, FDI/TNC database.

Note: FDI inward stock: Estimated by accumulating inflows since 1970. FDI outward stock: Estimated by accumulating inflows since 1986.

Table 5. FDI flows in the host economy, by industry, 1986-1999

(Thousands of Meticals)

Sector/industry	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total	32 285	15 401	17 040	8 511	21 448	16 508	72 003	17 277	89 291	49 989	85 976	359 247	157 351	35 823
Unspecified	..	9 074	9 237	50	92	2 278	264	1 359	348	905	742	1 313	4 062	11 927
Primary	32 247	5 979	5 206	2 845	13 357	9 322	9 271	8 814	24 628	8 110	12 136	28 401	29 551	3 202
Agriculture	3 600	1 302	1 640	2 042	9 041	9 224	8 327	361	3 994	6 559	11 616	24 509	27 598	2 802
Fishing	..	496	..	298	2 911	98	945	4 623	1 345	1 551	520	3 892	1 902	400
Mining	28 646	4 181	3 566	505	1 405	..	..	3 830	19 289	..	..	..	52	..
Secondary	..	..	607	227	1 930	2 835	47 210	1 975	25 017	24 845	48 894	315 865	66 828	8 422
Tertiary	38	348	1 990	5 390	6 069	2 073	15 258	5 129	39 299	16 129	24 204	13 668	56 909	12 273
Construction	..	..	..	226	809	487	..	81	26 195	150	3 520	3 546	327	5 235
Transport and communication	38	130	490	3 188	1 254	1 511	468	1 699	356	4 875	3 630	2 492	10 865	649
Tourism	..	218	1 500	1 975	4 007	..	..	2 599	4 622	11 104	16 203	6 073	6 579	6 150
Finance	..	..	..	..	..	..	14 790	750	8 126	..	850	1 557	39 137	239

Source: Centro de Promoção de Investimentos, unpublished data.

Note: Data relate to approved projects.

Table 6. FDI flows in the host economy, by geographical origin, 1992-2004

(Millions of dollars)

Economy	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
France	3.1	..	5.3	..	..	..	..	..
Germany	1.1	..	..	..	..	..	8.7
Malaysia	0.7	0.8	3.9	3.9	..	..	..	..
Mauritius	0.2	3.2	..	2.0	..	..	..
Portugal	24.1	..	20.4	20.8	29.5	21.2	66.9	44.6	-24.3	6.1	-14.0
Sweden	0.2	..	..	..	..	..	..	..	..	..	..	..	..
United States	5.0	1.0	1.0	1.0	1.0	-4.0	1.0	8.0	3.0	1.0	2.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Table 9. FDI flows abroad, by geographical destination, 1995-2004

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
France	0.2	..	..	..	..	..	..	..	..	..
Germany	..	..	..	-2.2	..	..	..	..	..	..
Portugal	..	-0.1	-0.1	-0.1	0.1	0.2	0.0	-0.1	-0.2	-0.1

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Table 11. FDI stock in the host economy, by industry, 2003-2005

(Millions of dollars)

Sector/industry	2003	2004	2005
Total	120.0	124.1	187.8
Unspecified	4.3	4.0	30.6
Primary	31.4	30.6	45.8
Agriculture, hunting, forestry and fishing	27.2	29.0	42.0
Mining, quarrying and petroleum	4.2	1.6	3.8
Secondary	8.9	15.1	16.5
Tertiary	75.4	74.4	94.9
Construction	3.6	1.6	4.0
Hotels and restaurants	11.1	50.7	84.1
Transport, storage and communications	60.6	22.1	4.9
Finance	0.1	..	1.9

Source: UNCTAD, FDI/TNC database.

Note: Data are based on approvals.

Table 12. FDI stock in the host economy, by geographical origin, 1990-2003

(Millions of dollars)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Brazil	0.1
Malaysia	0.5	1.3	5.3	9.2	9.2	9.2	..
Portugal	84.8	107.2	127.8	142.8	179.9	225.1	234.5	250.3
South Africa	339.5	798.1	763.7
United Kingdom	36.6	44.9	22.7	20.7	12.5	32.6	11.9	..	..	..	..	..	..	..
United States	1	2	3	4	5	1	3	8	12	13

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Table 15. FDI stock abroad, by geographical destination, 1996-2003

(Millions of dollars)

Economy	1996	1997	1998	1999	2000	2001	2002	2003
Portugal	0.4	0.4	0.5	0.5	0.6	0.5	0.6	0.8

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Table 6. FDI flows in the host economy, by geographical origin, 1986-1999

(Thousands of Meticals)

Region/economy	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total world	32 285	15 401	17 040	8 511	21 448	16 508	72 003	17 277	89 291	49 989	85 976	359 247	157 351	35 823
Developed countries	27 083	14 612	11 257	6 774	15 093	11 552	69 056	2 375	66 337	26 418	44 086	19 798	88 273	22 178
European Union	27 083	14 310	9 757	6 774	14 869	11 501	67 806	2 322	54 326	24 128	28 597	18 575	87 927	21 063
Denmark	150	..	..	80	..	..	..	50	..	75	25
France	140	..	235	..	..	..	1 954	..	995	..	12 202	50
Germany	65	..	120	30	..	..	..	..	619	45	392	290
Greece	1 403	..	13	..	..	..	..	..	105	..
Ireland	2 205	3 500	..	..	124	7	..	50	..	..	48	..	..	..
Italy	..	1 000	..	598	..	..	..	..	8 200	808	50	55	565	3 309
Luxembourg	509	438	500	..	..	626	..	163	..	542	..
Netherlands	38	..	..	50	..	..	..	..	74	13 690	676	..	9 100	25
Portugal	..	450	552	2 046	2 027	6 681	15 977	802	37 710	6 213	17 858	15 081	62 623	15 138
Spain	2 911	..	..	..	1 280	465	..	..	..	..
Sweden	982	..	490	131	..	..	..	100	..	..	..
United Kingdom	24 840	9 360	9 000	2 439	7 611	3 792	51 605	1 470	4 482	2 952	8 038	3 394	2 324	2 226
Other Western Europe	224	..	..	..	..	..	705	66	196	..
Norway	475	..	..	..
Switzerland	224	..	..	..	..	..	230	66	196	..
North America	..	302	1 500	..	..	51	1 250	54	4 260	690	14 784	700	100	25
Canada	3 600	690	234	..	100	25
United States	..	302	1 500	..	..	51	1 250	54	660	..	14 550	700	..	..
Other developed countries	7 751	1 600	..	457	50	1 090
Australia	7 751	1 600	..	..	50	1 090
Israel	75	..	..
Japan	382	..	..
Developing economies	3 802	258	5 783	1 738	6 355	4 956	2 948	14 387	22 953	23 571	41 841	339 399	69 026	13 645
Africa	3 802	258	2 783	1 338	6 355	4 926	2 857	10 317	20 903	17 272	10 898	334 417	62 893	12 450
North Africa	571	..	..	..	..	..
Algeria	571	..	..	..	..	..
Other Africa	3 802	258	2 783	1 338	6 355	4 926	2 857	10 317	20 332	17 272	10 898	334 417	62 893	12 450
Botswana	4 000	..	116	..
Guinea-Bissau	15	..	..	..
Malawi	30	..	..	..	..	..	..	..	..	..	45
Mauritius	1 062	..	..	21 138	9 559
South Africa	600	..	2 673	721	5 383	4 277	2 854	10 129	19 375	13 584	4 997	333 294	22 031	2 068
Swaziland	..	218	..	172	647	..	..	..	..	1 404	173	418	13 050	..
Uganda	25
United Rep. of Tanzania	50	..
Zambia	3 201	..	..	..	..	..	..	..	..	..	..	..	100	..
Zimbabwe	..	40	110	415	325	649	3	188	957	1 222	1 712	705	6 407	753
Latin America and Caribbean	3 000	400	..	31	..	..	..	6 025	5 018	..	..	..
South America	3 000	..	..	..	..	..	..	25	455	..	..	..
Argentina	420	..	..	..
Brazil	3 000	..	..	..	..	..	..	25	35	..	..	..
Other Latin America and the Caribbean	400	..	31	..	..	..	6 000	4 563	..	..	..
Bahamas	4 563	..	..	..
Panama	400	..	31	..	..	..	6 000	..	..	..	..
Asia	91	4 070	2 050	275	25 926	4 982	6 133	1 195
West Asia	74	..	..	152	105	70	50	..
Cyprus	74	..	..	..	105	20	..	..
Oman	50	..	..
United Arab Emirates	152	..	..	50	..
South, East and South-East Asia	17	4 070	2 050	123	25 821	4 912	6 083	1 195
China	4 070	1 510	..	71	..	..	150
Hong Kong, China	90	25 500	..	..	..
India	250	1 625	50	45
Korea, Republic of	540	..	..	63	..	200
Malaysia	1 557	5 695	..
Pakistan	17	..	..	..	..	..	125	800
Singapore	1 667	213	..
Central and Eastern Europe	1 400	531	..	..	..	..	..	514	..	..	50	50	52	..
Bulgaria	1 400	..	..	..	..	..	..	..	..	..	..	..	..	..
Romania	50	..	52	..
Russian Federation	514	..	..	..	50	..	..
Yugoslavia (former)	..	531	..	..	..	..	..	..	..	..	..	..	..	..

Source: Centro de Promoção de Investimentos, unpublished data.

Note: Data relate to approved projects.

Table 7. FDI flows in the host economy, by industry and geographical origin, 1999

(Thousands of Meticals)

Region/economies	Total	Unspecified	Primary	Agriculture	Fishing	Secondary	Tertiary	Construction	Transport and communication	Tourism	Finance
Total world	35 823	11 927	3 202	2 802	400	8 422	12 273	5 235	649	6 150	239
Developed economies	22 178	10 216	2 128	2 028	100	5 172	4 662	3 885	238	350	189
European Union	21 063	10 216	1 038	938	100	5 147	4 662	3 885	238	350	189
Denmark	25	..	25	25	..	..	..	..	..	..	..
France	50	..	..	..	..	50	..	..	..	..	..
Germany	290	..	..	..	..	..	290	..	51	50	189
Italy	3 309	62	47	47	..	..	3 200	3 200	..	..	..
Netherlands	25	..	..	..	..	25	..	..	..	..	..
Portugal	15 138	10 155	965	865	100	3 022	997	647	50	300	..
United Kingdom	2 226	..	..	..	..	2 050	176	39	137	..	..
Other Western Europe	..	..	..	..	..	..	..	..	..	..	..
North America	25	..	..	..	..	25	..	..	..	..	..
Canada	25	..	..	..	..	25	..	..	..	..	..
Other developed countries	1 090	..	1 090	1 090	..	..	..	..	..	..	..
Australia	1 090	..	1 090	1 090	..	..	..	..	..	..	..
Developing economies	13 645	1 710	1 074	774	300	3 250	7 611	1 350	411	5 800	50
Africa	12 450	1 710	1 074	774	300	2 243	7 423	1 350	223	5 800	50
Other Africa	12 450	1 710	1 074	774	300	2 243	7 423	1 350	223	5 800	50
Malawi	45	..	..	..	..	45	..	..	..	..	..
Mauritius	9 559	1 313	61	61	..	1 085	7 100	1 300	..	5 800	..
South Africa	2 068	397	360	110	250	1 088	223	50	173	..	..
Uganda	25	..	..	..	..	25	..	..	..	..	..
Zimbabwe	753	..	653	603	50	..	100	..	50	..	50
Asia	1 195	..	..	..	..	1 007	188	..	188	..	..
South, East and South-East Asia	1 195	..	..	..	..	1 007	188	..	188	..	..
China	150	..	..	..	..	150	..	..	..	..	..
India	45	..	..	..	..	45	..	..	..	..	..
Korea, Republic of	200	..	..	..	..	13	188	..	188	..	..
Pakistan	800	..	..	..	..	800	..	..	..	..	..

Sources: Centro de Promoção de Investimentos, unpublished data.

Note: Data relate to approved projects.

Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1991-2003

Economy	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Italy	1	..	1	..	1	..	2	..	..	..	..	..	..
United States	..	..	..	1	1	1	1	1	2	2	3	3	3

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Tables 30, 40 and 50. Assets, wages and salaries and value added of affiliates of United States TNCs in Angola, 1994-2003

(Millions of dollars)

Table no.	Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
30	Assets	..	8	8	..	11	..	..	53	54	62
40	Wages and salaries	..	..	..	..	..	..	..	4	4	5
50	Value added ^a	3	3	3	2	2	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

^a Majority-owned affiliates of United States TNCs.

Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1991-2003

(Thousands of employees)

Economy	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Italy	0.8	..	0.8	..	0.8	..	1.1	..	..	..	..	..	..
United States	..	..	..	0.1	0.1	0.1	..	..	..	..	0.6	0.6	0.6

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1991-2003

(Millions of dollars)

Economy	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Italy	4.0	..	3.2	..	3.7	..	15.3	..	..	..	..	..	..
United States	..	..	..	..	14	16	..	20	..	..	92	81	103

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Table 86. Largest home-based TNCs, 2002

(Millions of dollars and number)

Company	Industry	Sales	Employees
A. Industrial			
..
B. Tertiary			
Linhas Aereas De Mozambique	Transport	1	1 200
C. Finance and Insurance		Assets	Employees
..

Sources: Thomson Analytics (<http://analytics.thomsonib.com/>); *Who Owns Whom*, 2003 (London, Dun and Bradstreet, 2003).

Table 87. Largest affiliates of home-based TNCs, 2002

(Millions of dollars and number)

Company Name	Host economy	Industry	Sales	Employees
A. Industrial				
B. Tertiary				
Linhas Aereas De Mozambique	Italy	Transport	..	..
C. Finance and Insurance			Assets	Employees
..

Sources: Thomson Analytics (<http://analytics.thomsonib.com/>); *Who Owns Whom*, 2003 (London, Dun and Bradstreet, 2003).

Table 88. Largest affiliates of foreign TNCs in the host economy, 2004

(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
A. Industrial				
Cimentos de Mocambique	Portugal	Non-metallic mineral products	1 774	5
Cervejas de Mocambique	United Kingdom	Food products, beverages and tobacco	119	721
Companhia Industrial do Monapo	Portugal	Food products, beverages and tobacco	14	150
Entrepосто Frigorifico de Pesca de Mozambique	Japan	Agriculture	7	10 ^a
Mabor Moçambique	Germany	Rubber and plastic products	7	610 ^b
Colgate Palmolive Mocambique	United States	Chemicals and chemical products	5	37 800
Cimpor Betao Mozambique Sarl	Portugal	Non-metallic mineral products	4	22
Cartonagem de Mocambique	South Africa	Wood and wood products	3	200
Exploracoes Mineiras de Mocambique Limitada	United Kingdom	Mining and quarrying	3	50
Maragra Acucar	South Africa	Agriculture	..	1 500 ^c
Marmoles de Mozambique	Portugal	Mining and quarrying	..	140 ^c
Mocambique Farms	Mauritius	Food products, beverages and tobacco	..	120 ^c
Steeladale Mocambique	South Africa	Machinery and equipment	..	106 ^c
Edimetal Mozambique	Portugal	Machinery and equipment	..	36 ^c
Parmalat Sarl Central Leteira de Maputo	Italy	Food products, beverages and tobacco	..	10 ^c
B. Tertiary				
Hotel Tivoli Hostelaria e Servicos	Portugal	Hotels and Restaurants	447	30 ^a
Electricidade de Mocambique	France	Electricity, gas and water	170	3 176
Jlm Industries	South Africa	Distributive trade	32	.. ^b
Opca Mozambique	Portugal	Construction	9	700
Teixeria Duarte Engenharia e Construccoes	Portugal	Construction	8	6 080
Soares da Costa Mocambique	Portugal	Research and development	6	300
Ferpinta Mozambique	Portugal	Wholesale trade	5	80
Ferromocambique Comercio e Industria de Fernando Pinho	Portugal	Wholesale trade	5	20
Engil Mocambique	Portugal	Construction	4	25
Sociedade Mocambicana do Acumulador Tudor	Portugal	Wholesale trade	4	180
Brithol Michcoma Moçambique Limitada	United Kingdom	Wholesale trade	4	87
Sociedade Geral de Empreitadas	Spain	Construction	2	570 ^a
Aquatec	Portugal	Wholesale trade	1	22 ^a
Enop - Engenharia e Obras Publicas	Portugal	Research and development	1	60
C. Finance and Insurance			Assets	Employees
Banco Internacional de Moçambique	Portugal	Finance	655	1 550 ^d
Banco Standard Totta de Mozambique	Spain	Finance	217	410 ^d
Banco Austral SARL	Portugal	Finance	166	2 037 ^d
Banco de Fomento	Portugal	Finance	94	126 ^d
Impar - Companhia de Seguros de Mocambique	Netherlands	Insurance	..	125 ^d
AON Mocambique	United States	Insurance	..	..^c
Banco Comercial de Investimentos	Portugal	Finance	..	..
Banco Comercial de Mocambique	Portugal	Finance	..	..
HSBC Equator Bank	United Kingdom	Finance	..	..

Sources: *The Banker's Almanac*, 2003 (London, Reed Information Services, 2003); Thomson Analytics (<http://analytics.thomsonib.com/>); Who Owns Whom database (<https://solutions.dnb.com/wow/>); L'intelligent Jeune Afrique, "The Africa Report: Top 500 companies" (March 2006).

^a 2003. ^b 2002. ^d Estimate. ^c 2001.

C. Legal Framework for Transnational Corporations

I. National Framework

Mozambique had adopted a number of national, bilateral and multilateral legal instruments to regulate the activities of transnational corporations and foreign direct investors. The main legal instruments applicable in the country include:

1. Law of Investment (Law no. 3/93, of 24 June) and Regulations of the Law on Investment (Decree no. 14/93, of 21 June; with changes approved by Decree no. 36/95, of 8 August).
2. Code of Fiscal Benefits for Investments in Mozambique (Decree no. 12/93, of 21 July; with changes approved by Decree no. 37/95, of 8 August).
3. Special Investment Regime for the Hotel and Tourism Industry (Decree no. 73/99, of 12 October); Special Investment Regime for the Sugar Industry (Decree no. 74/99, of 12 October) and Special Fiscal and Customs Regime for the Zambezi River Valley (Decree no. 16/98, of 16 April).
4. Regulations on Industrial Free Zones (Decree no. 62/99, of 21 September).
5. Petroleum Law (Law no. 3/81, of 3 October 1982).
6. Mining Law (Law no. 2/86, of 16 May; with changes approved by Law no. 5/94, of 13 September).
7. Labour Law (Law no. 8/98, of 20 July).
8. Regulations on the Employment of Foreign Nationals (Decree no. 25/99, of 24 May).
9. Labour Regime in the Industrial Free Zones (Decree no. 75/99, of 12 October).
10. Law no. 15/91, of 3 August, establishing norms for restructuring, transformation and re-dimensioning of the state enterprise sector, including privatisation, sale of enterprises, establishments and shareholdings of the state.
11. Decree no. 27/91, of 21 November, establishing an Inter-ministerial Commission for Enterprise Restructuring of 21 November 1991.
Source: World Bank, Technical Paper no. 186, "Divestiture of State Enterprise". An overview of the legal framework.
12. Land Law (Law no. 19/97, of 1 October) and Regulations on Land Law (Decree no. 66/98, of 8 December).
13. Environmental Framework Law (Law no. 20/97, of 1 October).
14. Industrial Property Code (Decree no. 18/99, of 4 May).
15. VAT Code (Decree no. 51/98, of 29 September).
16. Arbitration Law (Law no. 11/99, of 8 July).
17. Financial Institutions Law (Law no. 15/99, of 1 November).
18. Constitution of the Mozambican Stock Exchange (Decree no. 49/98, of 22 September) and Securities Trading Regulations (Decree no. 49/98, of 22 September).

Exchange Law (Law no. 3/96, of 4 January) and Regulation of the Exchange Law (Notice no. 5/GGBM/96).

II. International Framework

Multilateral Treaties

The international treaties and convention are part of the effort by the government of Mozambique to improve its competitiveness to investments. Through the years, the government has been party to the following treaties:

1. Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958.
2. Bern Convention for the Protection of Literary and Artistic Works of September 9, 1886 (approved by Resolution no. 13/97, of 13 June).
3. Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994; entered into force on 1 January 1995, and including the Agreement on Trade-Related Investment Measures, the General Agreement on Trade in Services and the Agreement on Trade-Related Intellectual Property Rights.
Source: World Trade Organisation, annex 1A, 1B and 1C. *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts* (Geneva: World Trade Organisation, 1995), pp. 365-403.
4. Paris Convention for the Protection of Industrial Property of 20 March 1883 (revised at Brussels on 14 December 1900, Washington on 2 June 1911, The Hague on 6 November 1925, London on 2 June 1934, Lisbon on 31 October 1958, Stockholm on 14 July 1967, and as amended on 2 October 1979), signed in 1963.
Sources: World Intellectual Property Organisation: Depository of the original convention and revisions and United Nations, Treaty Series, vol. 828, p. 107 (Lisbon Revision); vol. 828, p. 305 (Stockholm Revision).
5. Madrid Agreement Concerning the International Registration of Marks of April 14, 1891 (approved by Resolution no. 20/97, of 12 August).
6. Convention Establishing Multilateral Investment Guarantee Agency of 11 October 1985. Entered into force on 12 April 1988.
Source: Multilateral Investment Guarantee Agency. Convention Establishing the Multilateral Investment Guarantee Agency and Commentary on the Convention (Washington D.C., MIGA, 1985), pp. 365-403.
7. Convention on the Settlement of Investment Disputes Between States and Nationals of Other States of 18 March 1965. Entered into force on 14 October 1966.
Source: World Bank, Depository of the Original Convention. The convention was published under document ICSID/2.

Regional Treaties

1. Agreement for the Promotion, Protection and Guarantee of Investment among Member States of Organisation of Islamic Conference of 1 June 1981; entered into force on 23 September 1986.
Sources: Depository of the Agreement, Organisation of Islamic Conference, 1981. Also in UNCTAD, Division on Investment, Enterprise Development and Technology, *International Investment Instruments: A Compendium* (Geneva: United Nations, 1996).

2. Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992; entered into force on August 1994.

Sources: Islamic Development Bank, "Articles of Agreement of Islamic Corporation for the Insurance of Investment and Export Credit" (LD133/A: C1/R1/MH, C: 2212/RI) (Jeddah: Islamic Development Bank, 1992). Also in UNCTAD, Division on Investment, Enterprise Development and Technology, *International Investment Instruments: A Compendium* (Geneva: United Nations, 1996).

Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the One Part, and the European Community and Its Member States, of the Other Part, signed in Cotonou, Benin on 23 June 2000.

Source: African, Caribbean and the Pacific States and the European Community (2000). "Partnership Agreement Between the Members of the African, Caribbean and Pacific Group of States of the One Part, and the European Community and Its Member States, of the Other Part", *Official Journal of the European Communities*, L 317, 15 December 2000, p. 3; available also on the Internet (<http://www.acpsec.org/gb/cotonou/accord1.htm>).

4. Charter on a Regime of Multinational Industrial Enterprises (MIEs) in the Preferential Trade Area for Eastern and Southern African States of 21 November 1990. Not in force as of August 1995.

Sources: *International Legal Materials*, vol. 30, 1991, p. 696. Also in UNCTAD, Division on Investment, Enterprise Development and Technology, *International Investment Instruments: A Compendium* (Geneva: United Nations, 1996).

5. Treaty Establishing the Common Market for Eastern and Southern Africa (COMESA) of 5 November 1993, entered into force on 8 December 1994.

Sources: *International Legal Materials*, vol. 33, no. 5 of September 1994. Also in UNCTAD, Division on Investment, Enterprise Development and Technology, *International Investment Instruments: A Compendium* (Geneva: United Nations, 1996).

Bilateral Treaties

Bilateral investment treaties for the promotion and protection of foreign direct investment:

1. Agreement between the Republic of Mozambique and the Republic of Zimbabwe for the promotion and protection of investment, signed on 12 September 1990 (ratified by Resolution no. 45/98, of 28 July).

2. Agreement between the Republic of Mozambique and the Republic of Portugal for the promotion and protection of investment, signed on 1 September 1995 (ratified by Resolution no. 46/98, of 28 July).

3. Agreement between the Republic of Mozambique and the Republic of Mauritius for the promotion and protection of investment, signed on 14 February 1997 (ratified by Resolution no. 47/98, of 28 July).

4. Agreement between the Republic of Mozambique and the Republic of South Africa for the promotion and protection of investment, signed on 6 May 1997 (ratified by Resolution no. 48/98, of 28 July).

5. Agreement between the Republic of Mozambique and the United States of America for the promotion and protection of investment, signed on 1 December 1998.

6. Agreement between the Republic of Mozambique and the Republic of Algeria for the promotion and protection of investment, signed on 12 December 1998.

7. Agreement between the Republic of Mozambique and the Republic of Egypt for the promotion and protection of investment, signed in December 1998.

8. Agreement between the Republic of Mozambique and the Republic of Italy for the promotion and protection of investment, signed on 14 December 1998.

9. Agreement between the Republic of Mozambique and the Republic of Indonesia for the promotion and protection of investment, signed on 26 March 1999.

Source: UNCTAD database on Bilateral Investment Treaties.

Bilateral Investment Treaties for the Avoidance of Double Taxation

1. Agreement between the Republic of Mozambique and the Republic of Portugal for the avoidance of double taxation and the prevention of tax evasion (approved by Resolution no. 9/91, of 20 December).

2. Agreement between the Republic of Mauritius and the Republic of Mozambique for the avoidance of double taxation and the prevention of tax evasion (approved by Resolution no. 54/98, of 12 November).

Source: UNCTAD database on Double Taxation Treaties.

D. Sources of information

Official

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Centro de Promoção de Investimentos (www.cpi.co.mz).

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